

Date of Hearing: April 23, 2013

ASSEMBLY COMMITTEE ON AGING AND LONG-TERM CARE

Mariko Yamada, Chair

AB 776 (Yamada) – As Introduced: February 21, 2013

SUBJECT: Coordinated Care Initiative, an 1115 waiver demonstration program of Medi-Cal.

SUMMARY: Defines "Stakeholder," and establishes Area Agencies on Aging (AAA) and Independent Living Centers (ILC) as participants of statutorily mandated stakeholder processes for the development and testing of a universal assessment process for Long-Term Services and Supports (LTSS), and the issuance of all-county letters, plan letters, plan or provider bulletins, or similar instructions. Specifically, this bill:

- 1) Defines "stakeholder" for the purposes of Article 5.7 of Division 9, Part 3, Chapter 7 of the Welfare and Institutions Codes pertaining to Long-Term Services and Supports Integration under the Coordinated Care Initiative.
- 2) Assures that AAAs and ILCs are stakeholders of workgroups convened by the Department of Aging (CDA) and the Department of Social Services (DSS) to develop a uniform assessment process and a uniform assessment tool for home- and community-based.
- 3) Assures that AAAs and ILCs are stakeholders of workgroups convened by DSS and Department of Health Care Services (DHCS) in the event that the DHCS director deems the quality of care for managed care beneficiaries, efficiency, or cost-effectiveness within the CCI would be jeopardized.

EXISTING LAW

- 1) Establishes the Medicaid Program (Medi-Cal in California) as a joint federal-state program to provide health care services to low-income families with children, seniors, and persons with disabilities (SPDs).
- 2) Establishes Medicare as a federal health insurance program to provide coverage to eligible individuals who are disabled or over age 65.
- 3) Allows the Center for Medicare and Medicaid Innovation to test innovative payment and delivery models to lower costs and improve quality for enrollees who are dually eligible for Medi-Cal and Medicare ("dual eligibles").
- 4) Establishes the CCI that requires DHCS to seek federal approval to establish demonstration sites in up to eight counties to provide coordinated Medi-Cal and Medicare benefits to dual eligibles and authorizes DHCS to require SPDs who are eligible for Medi-Cal only to mandatorily enroll in Medi-Cal managed care (MCMC) plans (MCPs).
- 5) Requires consultation with stakeholders in implementing these provisions.

- 6) Requires county agencies to conduct In Home Supportive Services (IHSS) assessments and authorization processes and provides for the development and utilization of a universal assessment tool no sooner than January 1, 2015.
- 7) Establishes AAA, through the federal Older Americans Act, and the Mello-Granlund Older Californians Act of 1996. AAAs receive federal, state, and local funds to contract with local organizations for service to seniors. There are 33 AAAs designated by the CDA as local Planning Services Agencies (PSAs).
- 8) Establishes ILCs through the Rehabilitation Act of 1973, which are consumer controlled, community based, cross disability, nonresidential private nonprofit agencies that are designed and operated within a local community by individuals with disabilities. Independent living services maximize the ability to live independently in the environment of a client's own choosing. There are 29 ILCs in California.

FISCAL EFFECT: Unknown

PURPOSE OF THE BILL: Based upon materials submitted by the author, "stakeholders" are currently undefined under the CCI. AAAs and ILCs are uniquely positioned with long-standing working relationships and expertise in serving the CCI population. Including AAA's and ILC's in CCI implementation will contribute to better planning, organizing, monitoring and assessing of services to California's older adults, persons with disabilities and their families, thus assuring the highest and best use of scarce public resources, and avoiding unnecessary planning and resource deployment choices.

BACKGROUND: The CCI, enacted by SB 1008 and SB 1036 in July 2012, transforms the way California's 1.4M low-income seniors and persons with disabilities and those dually eligible for Medi-Cal and Medicare, will access a variety of medical, behavioral, and long-term services and supports. It was widely broadcast that these changes would allow the state to reduce system fragmentation, better align fiscal incentives, improve care, reduce institutionalization and increase home- and community-based services. The state and federal governments hope to achieve improvements in system function and at the same time score financial savings. While there is agreement and documentation that California's system of LTSS is dysfunctional and challenged by a range of competing authorities and funding streams, the speed of change combined with the goals of balancing good policy while achieving fiscal savings present challenges. Providing for the participation of stakeholders representing systems already engaged with consumers at the grassroots level, such as AAAs and ILCs, AB 776 will offer an additional layer of assurance that unnecessary duplication will be minimized, and the highest level of coordination and cost savings can be achieved.

Based upon conditions established in recent authorization and approval from the Centers for Medicare and Medicaid Services (CMS), beginning October 1, 2013, those dual-eligibles will be enrolled into managed health care plans. An eight-county pilot program affecting approximately 545,000 individuals eligible for both Med-Cal and Medicare includes the counties of Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo and Santa Clara. Services covered are preventative and acute medical services including out-patient, primary care, specialty care, care coordination, in-patient services, durable medical equipment, drugs, medical transportation, and long-term services and supports such as IHSS, Community-Based Adult

Services (CBAS), Multipurpose Senior Services (MSSP), and skilled-nursing facility (SNF) services. Part of this transition includes a “stakeholder” process to develop uniform assessment.

Trailer bill language in 2012 required the Administration to consult with "stakeholders" while preparing for various aspects of CCI implementation and oversight. SB 1036 (Committee on Budget and Fiscal Review) Chapter 45, Statutes of 2012 made changes to the IHSS program, including changes to a county's share of cost for IHSS, and a shift to statewide collective bargaining for provider wages and benefits—but only for the eight piloted counties. SB 1036 also required a stakeholder workgroup to develop a universal assessment tool for the range of home and community-based services (IHSS, CBAS, MSSP, skilled nursing facility care). Currently, DHCS has convened six stakeholder workgroups to solicit input and develop standards related to LTSS and IHSS integration, behavioral health integration, beneficiary notices and protections, quality and evaluation, provider outreach, and fiscal and rate-setting.

California’s programs and services for older adults and persons with disabilities are undergoing a rapid and dramatic system change. Driven by state budget deficits as well as incentives to improve outcomes offered by health care reform, the programs and services that support long-term living are being reshaped into a system of managed care.

PREVIOUS LEGISLATION:

SB 1008 and SB 1036 authorize the CCI as an eight-county pilot project to: i) integrate Medi-Cal and Medicare benefits under managed care for dual eligibles; and, ii) integrate LTSS under managed care for dual eligibles and Medi-Cal-only SPDs.

SB 208 (Steinberg), Chapter 714, Statutes of 2010, contained the provisions implementing Section 1115(b) Medicaid Demonstration Waiver from CMS entitled “A Bridge to Reform Waiver.” Among the provisions, this waiver authorized mandatory enrollment into MCPs of over 600,000 low-income SPDs who are eligible for Medi-Cal only (not Medicare) in 16 counties.

This bill passed out of Assembly Health on April 9th with a vote of 18-0 with recommendation to consent.

REGISTERED SUPPORT / OPPOSITION:

Support

Alzheimer's Association
California Association of Area Agencies on Aging (C4A)
California Association of Public Authorities (CAPA)

Opposition

None on file.

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